

## Message Text

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ACTION COME-00

INFO OCT-01 AF-04 ISO-00 EB-07 RSC-01 /013 W

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R 300825Z DEC 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 1102

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EO 11652: N/A

TAGS: BTIO, ZA

SUBJECT: ZAMBIA METAL PROCESSING

REF: LUSAKA 3827, STATE 276810

1. TONY WARRECK-CHING, SENIOR ECONOMIST, MINISTRY OF MINES AND INDUSTRY, TOLD EMBOFF THAT ZAMBIAN INTERESTED IN JOINT VENTURE PROPOSAL BUT GRZ ITSELF HAS LITTLE EXPERIENCE IN THE TECHNICAL ASPECTS AND HAS NOT CARRIED OUT ADEQUATE FEASIBILITY STUDIES. GRZ POSITION BASICALLY IS THAT IT WILL BE RECEPTIVE TO PROPOSALS FORMULATED BY FOREIGN INVESTORS.

2. GENERAL GUIDELINES DESCRIBED AS FOLLOWS:

A. SIZE: GRZ THINKING IN TERM OF 50,000-100,000 TON ANNUAL CAPACITY CONTINUOUS CASTING COPPER ROD PLANT. ANYTHING UNDER 50,000 DEEMED UNECONOMIC. LARGER PLANT WOULD BE CONSIDERED IF ECONOMICALLY JUSTIFIED.

B. LOCATION: A JOINT PROJECT IN WESTERN EUROPE WOULD BE CONSIDERED IF TARIFF AND TRANSPORTATION FACTORS WARRANTED ESTABLISHMENT OF PLANT OUTSIDE ZAMBIA. MOST IMPORTANT FACTOR IN DETERMINATION LOCATION WILL BE AVAILABILITY OF MARKETING OUTLETS FOR FABRICATED PRODUCTS. DOMESTIC EMPLOYMENT IS ONLY MINOR CONSIDERATION.

C. OWNERSHIP: GRZ THINKING IN TERMS OF INDECO-FOREIGN INVESTOR JOINT VENTURE WITH LATTER HAVING 49 PERCENT EQUITY PARTICIPATION

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IN ADDITION TO TECHNICAL SERVICES CONTRACT.

3. CHING STATED GRZ MOST INTERESTED IN ASSOCIATING WITH FOREIGN FIRM WHICH HAS COMBINATION OF TECHNICAL EXPERIENCE IN METAL FABRICATION AND WHICH CAN ASSIST IN MARKETING.

4. ACCORDING TO CHING, PHELPS DOGE/SVENSK METALLWERKEN, WHICH HAS TECHNICAL SERVICES CONTRACT WITH METAL FABRICATORS OF ZAMBIA, LTD. HAS SUBMITTED PROPOSAL TO CARRY OUT FEASIBILITY STUDY FOR CONTINUOUS CASTING PLANT. HOWEVER, GRZ WOULD PREFER PARTICIPATION OF ADDITIONAL FOREIGN FIRM IN METAL FABRICATION.

5. SUGGEST INTERESTED U.S. FIRMS CONTACT ZAMBIAN AMBASSADOR TO US MWALE TO GET MORE COMPLETE PICTURE OF ZAMBIAN INTEREST IN U.S. INVESTMENT AND TECHNOLOGY, AND GENERAL SCOPE OF GRZ INTENTION IN METAL FABRICATION.  
WILKOWSKI

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
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**Disposition Comment:** 25 YEAR REVIEW  
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